

## **Rexam Pension Plan**

### **Securing your Rexam Pension Plan benefits**

January 2024

In November 2023, the Trustee of the Rexam Pension Plan (“the Plan”) purchased an insurance policy with Rothesay Life (“Rothesay”) which increases the security of your Defined Benefits (DB) pension benefits in the Plan.

There is currently no change to the running of the Plan or your benefits. You will continue to receive your pension in the same way as you do now. If you have any queries you should contact the Pensions Department in the normal way. The Plan will continue to pay members’ benefits, but now Rothesay reimburses the cost of these benefits to the Plan under the terms of the insurance policy.

The Trustee will continue to keep you informed of progress, when updates are available. Q&As are included below, together with Rothesay’s introductory leaflet and its press announcement.

**Rexam Pension Trustees Limited**

## Questions and Answers

- **Do I need to do anything now?**

No, there's nothing for you to do. For the time being, the Plan will still be run by the Trustee and the Pensions Department. As Trustee, we will remain responsible for paying your benefits until we advise you otherwise.

If you are already in receipt of your pension from the Plan, you will continue to receive it from the same payroll in the way you do now.

- **Why did the Trustee buy an insurance policy?**

After taking professional advice, the Trustee purchased an insurance policy with Rothesay that will provide members' DB pension benefits from the Plan. An insurance policy (sometimes referred to as a 'buy-in') helps address key risks within a pension scheme.

Below are some of the key advantages of securing your benefits with an insurance company:

- **Specialist in pensions** – Insurance companies specialise in this area, paying benefits to much larger groups of people than any individual company pension scheme.
- **Protected by independent regulation** – Insurers are overseen by two 'regulators' – the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) – who set tight financial controls on them (which acts as further protection to members).
- **Safety margin** – Insurers must always keep sufficient 'reserves', which are extra funds they must set aside to give a safety margin if the actual cost of providing benefits is higher than expected (for example, if investments don't perform as well as expected or members live longer than expected).
- **Stable investments** – By law, insurers must invest the money for providing pensions in low-risk investments, keeping their financial position stable.

In the long term, insurance companies are generally considered to be the most secure providers of pension scheme benefits.

- **What is the insurance policy?**

The insurance policy is an asset of the Plan that matches the benefits we need to pay to members. Rothesay will make a monthly payment to the Plan that is equal to the benefit payments due to members. The Plan, in turn, pays members' benefits.

In the short term, there will be no change to the running of the Plan. If you currently receive your pension from the Plan, you will continue to do so in the same way. If you have any queries relating to your benefits you should contact the Pensions Department in the usual way. The difference is that Rothesay will cover the cost of those benefits by making the monthly payments to the Plan under the terms of the insurance policy.

You can read more about Rothesay online at [www.rothesay.com](http://www.rothesay.com) and in the attached leaflet.

We are now exploring the feasibility of Rothesay taking over responsibility for paying Plan benefits directly – this is what's known as a 'buy-out'. This transition will involve a significant amount of work, and at this stage we believe this will not take place before 2026. If the move to Rothesay takes place the Plan would then be wound-up and the role of the Trustee would come to an end, as would the role of Rexam Limited as Plan sponsor.

- **What does this mean for my pension?**

Your entitlement to benefits is not affected. Pensions that are already in payment will continue to be paid in the same way as they are now. For members who have not yet retired, there is no change to your rights and benefits under the Plan rules.

- **Can I still retire early?**

Yes. There's no change to your options for retiring early.

- **Can I still transfer my benefits to another pension scheme?**

Yes, you can do this if you haven't taken your benefits yet (subject to meeting any overriding legal requirements).

The Plan currently allows transfers to appropriate registered DC pension arrangements, up to Normal Retirement Age. This is available to deferred members and surrenders the right to all benefits, including a dependant's pension under the Plan, in favour of a cash-equivalent transfer value. We would always recommend that you take professional independent financial advice before you transfer out and you **must** take professional independent advice if your 'safeguarded' benefits are worth £30,000 or more. Your safeguarded benefits are those that are linked to your salary and service i.e. your DB pension benefits.

- **What does this mean for any Plan Defined Contribution (DC) or Additional Voluntary Contribution (AVC) benefits?**

The insurance policy with Rothesay currently covers DB benefits from the Plan only. There is no immediate change to any Plan DC or AVC benefits. You are still able to use these DC or AVC benefits to fund any tax-free cash at retirement if you prefer.

We are now exploring the feasibility of Rothesay taking over responsibility for paying Plan benefits directly – this is what's known as a 'buy-out'. As part of this, we are also reviewing arrangements for securing Plan DC and AVC benefits. We will provide you with more information about this as the project progresses. It should be noted, that if the Plan were to begin the process towards wind-up you would be able to use Plan DC or AVCs benefits built up to that point to fund any tax-free cash at retirement, but you would need to transfer those funds to Rothesay at that point.

- **Where can I get general information about pensions?**

You can get general information and guidance from the Government's MoneyHelper service. This is the consumer-facing brand for the three main financial guidance organisations: the Money Advice Service, the Pensions Advisory Service and Pension Wise. To find out more, go to [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

- **How safe are my benefits with Rothesay?**

See the above answers to 'Why did the Trustee buy an insurance policy?' The insurance policy provided by Rothesay is covered by the Financial Services Compensation Scheme (FSCS). This means that if Rothesay were to go out of business the FSCS would step in to provide compensation. The level of compensation is greater than that provided by the Pension Protection Fund for corporate pension schemes. If you would like further information on the FSCS this can be found at [www.fscs.org.uk](http://www.fscs.org.uk)

- **How does the transaction affect the privacy of my data?**

The Trustee has to share certain membership data, such as members' benefit entitlements, but this will be shared securely and limited to only the information needed to secure the policy. Please refer to the Trustee's [Privacy Policy](#) which sets out more information on how your personal data is held and processed and includes a link to Rothesay's privacy statement

- **When will I hear more?**

You will hear more from us about the project over the next couple of years as updates become available.

Please remember to tell us if you change address so that we can keep in contact with you.

# Rothesay

Purpose-built to protect pensions



safe home

**An Introduction**



# Securing your pension

Rothesay is a safe home for defined benefit pensions like yours.

We are delighted to be working with the trustees of your pension scheme to secure your pension.

Rothesay is the UK's largest pensions insurance specialist, managing over £68bn of assets and securing pensions for over one million people. We secure pensions associated with more than 200 companies, including British Airways, Cadbury, the Civil Aviation Authority, the Cooperative, Morrisons, Smiths Industries and Telent.

We are dedicated to financial security and keep a solvency buffer comfortably above what is expected of us. We have a cautious investment strategy, investing in predictable, long-term and secure investments. We proactively monitor and adjust our investments daily to protect the security of your pension benefits.

To find out more about us go to our website:

> [rothesay.com](https://rothesay.com)



## What happens next?

Under our agreement with the trustees, we will be helping secure your pension financially but they will continue to be responsible for your benefits. The same team will continue to administer your pension.

If you have any queries about our agreement with the trustees or your pension benefits, you should contact the scheme's administrators.

To find their details, search for your scheme in the section on our contact webpage headed "Scheme members":

➤ [rothesay.com/contact](https://rothesay.com/contact)

## Protecting your data

In order for us to work together to keep your pension secure the trustees provided us with personal data. This may include your date of birth and National Insurance number. It may also include details of anyone who may receive benefits on your death. We take the security of your data very seriously. Please see the back cover for further details.

If you want to exercise your rights under data protection you can contact the scheme's administrators or us.

## Data Protection

In order for us to fulfil our obligations under the agreement we have with the trustees, Rothesay and the trustees of your pension scheme will exchange personal data concerning you and your benefits under the scheme. In some circumstances, we will control the processing of your personal data.

In broad terms, these circumstances are where we process your personal data for the following purposes:

1. To ensure that we are paying the right amounts under the agreement. This involves us sharing personal data with our service providers and professional advisers.
2. To manage our risks associated with the agreement. In particular, we may provide information about the individuals insured under the agreement to third party insurance companies who reinsure some of the risks associated with the benefits we have insured.
3. To fulfil our legal and regulatory obligations.
4. To operate our business. In particular, we provide personal data to third parties who collate such data from a wide variety of sources and publish reports on how long people in the UK live and other demographic trends which we use to understand our liabilities in respect of our current and future policyholders.
5. To prepare to issue an individual pension annuity policy directly to you in the event that the trustees of your scheme ask us to do so in the future.
6. To enable us to exercise our legal rights and defend ourselves against potential legal claims, should we need to do so.

For full details about how and why we process personal data and an explanation of your rights under data protection laws go to:

➤ [www.rothesay.com/data-protection/privacy-notice-for-policyholders](http://www.rothesay.com/data-protection/privacy-notice-for-policyholders)

Please note that we may change our privacy notice from time to time. The latest version will always be available on our website.

## Rothesay

'Rothesay' is the trading name for Rothesay Life Plc, an insurance company established in the UK with company registration number 6127279.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Firm Reference Number 466067.

26 January 2024

## Rothestay secures £1.4bn transaction for Rexam Pension Plan

- The pension scheme buy-in insures £1.4bn of liabilities for the Rexam Pension Plan
- The transaction secures the benefits for over 14,000 members – 9,790 pensioners and dependants as well as 4,330 deferred members
- The buy-in is a single premium insurance policy covering residual risks for the Scheme

Rothestay, a leading UK pensions insurance specialist, today announces that it has completed a £1.4bn full scheme buy-in with the Rexam Pension Plan (the “Scheme” or “Plan”). The Scheme is sponsored by Ball Corporation (the “Sponsor”), a supplier of innovative, sustainable aluminium packaging solutions for beverage, personal care and household products.

The transaction secures the benefits for over 14,000 members of the Scheme which includes defined benefit liabilities for 9,790 pensioners and dependants and a further 4,330 deferred members.

The buy-in is a single premium insurance policy covering residual risks and no contribution was required from the Sponsor.

Having agreed to structure the insurance premium as a specified pool of assets owned by the Scheme, the economics of the transaction were fixed in August 2023. The Trustee, Sponsor, Aon and Rothestay have worked together collaboratively since then to underwrite the residual risks of the Scheme.

The lead broker on the transaction was Aon. WTW provided actuarial advice and project management to the Trustee. LCP are the Plan’s investment advisers. Rothestay and the Scheme received legal advice from Eversheds Sutherland and Sackers, respectively. A&O provided the Company with legal advice.

The buy-in was one of 12 pension schemes Rothestay was able to assist in their de-risking journey in 2023, resulting in total new business premiums for the year of £12.7bn.

**Cleo Taylor Smith, Business Development at Rothestay, said:** “From our first meeting with the Scheme and Sponsor it was clear that there was a strong cultural fit between our organisations and we are delighted to have worked so collaboratively together to secure the future for over 14,000 members. It has been a pleasure to work with the Trustee to reach such a successful outcome.

Last year was one of Rothestay’s busiest ever, with £12.7bn marking the second largest volume of annual new business we’ve ever completed. 2024 is looking equally, if not more, exciting with a currently unprecedented pipeline. Rothestay’s strong capital position and proven capability to execute large and complex transactions, like for the Rexam Pension Plan, mean that we are very well-placed to meet this opportunity.”



# Rothesay

**Chris Martin, IGG and Chair of Trustees, said:** “This is a significant milestone in our de-risking journey and we are delighted to have been able to achieve this outcome for members by working in collaboration with Rothesay. I would particularly like to thank my colleagues on the Trustee Board and within Ball Corporation, including the fantastic in-house Pensions Department, as well as the Plan’s excellent advisory teams for their collaborative and diligent approach which enabled the delivery of such a great result.”

**John Baines, partner in the Risk Settlement Group at Aon, said:** “For such a complicated scheme, we adapted the broking process to develop creative solutions, allowing the Trustee and Company to meet all of their objectives. As the market continues to get busier, increasingly thorough preparation and setting out requirements which are carefully tailored to schemes’ objectives will be the blueprint for achieving the best outcomes for members.”

**Claire van Rees, partner at Sackers, said:** “It was an absolute privilege to work with this team. It’s a complex scheme, but with clear leadership, good preparation, hard work and creativity we collectively secured a great outcome for the Scheme members.”

**ENDS**

## Media Contacts

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## Notes to Editors

### About Rothesay

Rothesay is a leading UK pensions insurance specialist, purpose-built to protect pension schemes and their members’ pensions. With over £60 billion of assets under management, we secure the pensions of more than 934,000 people and pay out, on average, approximately £200 million in pension payments each month.

Rothesay is dedicated to providing excellence in customer service alongside prudent underwriting, a conservative investment strategy and the careful management of risk. We are trusted by the pension schemes of some of the UK’s best known companies to provide pension solutions, including Asda, British Airways, Cadbury’s, the Civil Aviation Authority, the Co-operative Group, National Grid, Morrisons and telent.

Rothesay has two substantial institutional shareholders, GIC and Massachusetts Mutual Life Insurance Company (“MassMutual”), who provide the company with long-term support for its growth and development.

Rothesay refers to Rothesay Limited and its subsidiaries and is the trading name for Rothesay Life Plc, an insurance company authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference

# Rothestay

Number: 466067. Rothestay Life Plc is registered in England and Wales with company registration number: 06127279 and registered address: Rothestay Life Plc, The Post Building, 100 Museum Street, London WC1A 1PB. Further information is available at [www.rothestay.com](http://www.rothestay.com)